

TESTIMONY OF TOM SWAN
EXECUTIVE DIRECTOR OF THE CONNECTICUT CITIZEN ACTION GROUP (CCAG)
February 28, 2019
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE
IN SUPPORT OF
SB 902 AN ACT CONCERNING HIGH DEDUCTIBLE HEALTH PLANS
HB No. 7174 AN ACT CONCERNING PRESCRIPTION DRUGS

Senator Lesser, Representative Scanlon and other members of the Committee my name is Tom Swan and I am the Executive Director of the Connecticut Citizen Action Group. On behalf of our thousands of members statewide I want to thank you for holding today's hearing. I will be commenting on two bills today.

The first bill I would like to speak on in SB 902 AN ACT CONCERNING HIGH DEDUCTIBLE HEALTH PLANS. We applaud your efforts efforts to finds ways to protect people who are subjected to these schemes. People hate high deductible plans. Whether it be patients finding out the coverage we believe we have - isn't really there or providers having to become collection agencies these plans really do not advance health.

They are a scheme by industry to shift more of costs onto individuals so they can continue to make exorbitant profits and result in people not getting needed care. These plans take away the security people used to have from health insurance and for our medical providers to waste time and resources trying to collect money their patients often can't afford.

Since 2008, peoples' annual deductibles have risen eight times as fast as wages and have increased 212% over the last decade. This is not sustainable and calls for action on your part.

We support SB 902 because it attempts to address some of the challenges families have in navigating these scam plans. It helps people who change plans due to a change in status during a year and ends the family penalty. If it is permissible, we would call for an outright ban on these plans and we believe they are a strong argument for single payer health care or at least a public option.

We also support the concepts included in HB No. 7174 AN ACT CONCERNING PRESCRIPTION DRUGS. Consumers need you to step up and to figure out how the state's purchasing power can be leveraged to help make health care more affordable. Drug companies, PBMs and recently formed vertically integrated health conglomerates have proven that their mission is to milk as much money from the system as possible and less about peoples' health every day. I would like to share some stats on the pharmaceutical industry that highlight how they are the problem and why we need you to step up and act.

- In January alone pharmaceutical companies raised the prices on 490 drugs alone based on a study by Reuters.

- Since the Trump tax scam passed the Rx industry has spent over \$74 billion on stock buybacks that do not benefit a single pension.
- Pharmaceutical industry spent over \$280 million dollars lobbying in 2018 at the national level.

These drugs make up nearly 20% of insurance premiums and an ever-increasing share of out of pocket expenses.

We thank you for being willing to address this problem and to have our government use its leverage on behalf of consumers.

Have a great day.